to Rs. 30,00,352. This, it has to be remarked was mainly due to the non-realisation of the Customs Revenue due in 1099 in that year. This is not however the solitary instance of a deficit year. In 1096 and 1098 also we were faced with similar deficits of Rs. 43,096 and Rs. 15,149 respectively.

4. So much, Sir, for the past financial history of the State which I may briefly sum up by saying that beginning with a large surplus in 1073 the State had to pass through a great financial crisis from which she recovered slowly and steadily until she again reached an era of stable equilibrium from which, I submit, it is dangerous to depart.

5. I now come to the figures for the current and the ensuing years. In the current year we budgetted for a total revenue of Rs. 68,56,200 and a total expenditure of Rs. 71,28,300 leaving a deficit of Rs. 2,72,100. According to the revised estimate our revenue is expected to amount to Rs. 7[illegible]3,602. This is due to the realisation of the customs dues of the previous year in the current year and to a substantial increase in the dues of the current year which also was realised just now. On the other hand, our expenditure is to fall short of the estimate by Rs. 1,00,500 the budget and revised estimates being Rs. 71,28,300 and Rs. 70,27,800 respectively and the net transactions of the year are expected to result in a surplus of Rs. 4,15,800 as against the deficit of Rs. 2,72,100 budgetted for thus raising the net surplus to Rs. 34,16,152. The increase in revenue is mainly under 'Customs', as already explained, and the fall in expenditure is chiefly under 'Public Works'. The causes for these and other fluctuations will be explained later on in their proper place.

Budget Estimate 1101.

6. For the coming year we anticipate a revenue of Rs. 70,60,300 and we are putting forward proposals for an expenditure of Rs. 71,98,300. The transactions of the year are thus expected to result in a deficit of Rs. 1,38,000. The deficit is mainly caused by our contribution to Harbour Works and the provision for a scheme of supply of electric lighting to the Mattancheri Town.

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At the end of 1101, the State's accumulated savings, after providing for all existing liabilities, are expected to be reduced to Rs. 32,78,152. It will appear from the statement of the financial position of the State as given in the Preliminary Budget that a portion of this surplus remains as cash in the Treasury which is required to meet all exigencies for Treasury transactions, another portion represents advances to ryots for agricultural purposes, loans to Co-operative Societies and for industrial and other purposes. The balance representing investments in securities, some of which are only short-term investments, serves as a reserve against contingencies in respect of cash requirements of the State.

I now propose to explain in detail the estimate of revenue and expenditure under each of the several heads. I may explain that in doing so each detailed head of account has been preceded by a summary of the head for facility of reference to the members. Non-votable charges have been printed in italics except where they have been specially noted as such. Though it was not usual to provide leave allowance for establishments, it has been invariably found that the budget provisions are usually exceeded on account of the grant of leave allowances to officers. Hence leave allowances have been separately provided for each establishment at 5 per cent of its cost in the case of non-vacation departments and at 2½ per cent in the case of others. This provision, I need hardly point out, is only a very rough estimate and it will not be utilised if no necessity arises.

Land Revenue.

Receipts.—The revised estimate for 1100 falls short of the budget estimate of Rs. 12,08,400 by Rs. 76,100 and is mainly due to the fact that the Chittur forest exclusions and backwater areas proposed for assignment under the scheme of increasing arable areas of the State could not be sold away as was anticipated. The budget estimate for 1101 Rs 12 79,500 has been framed on the basis of normal conditions except under 'Land Revenue Proper-Capital,' where a sum of Rs 1,00,000 is anticipated to be realised from the sale of backwater areas and forest exclusions.

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